



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-119]

Certain Large Vertical Shaft Engines Between 225cc and 999cc, and Parts Thereof from the People's Republic of China: Preliminary Results and Rescission, in Part, of the Antidumping Duty Administrative Review; 2020-2022

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S Department of Commerce (Commerce) is conducting the administrative review of the antidumping duty order on certain large vertical shaft engines between 225cc and 999cc, and parts thereof (large vertical shaft engines) from the People's Republic of China (China). The period of review (POR) is August 19, 2020, through February 28, 2022.

Commerce preliminarily determines that Honda Power Products (China) Co., Ltd. (Honda) failed to establish its eligibility for a separate rate and, therefore, is part of the China-wide entity. We are also rescinding this review with respect to Chongqing Rato Technology Co., Ltd. (Chongqing Rato) and Loncin Motor Co., Ltd (Loncin). We invite interested parties to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Leo Ayala or Jacob Saude, AD/CVD

Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3945 or (202) 482-0981, respectively.

SUPPLEMENTARY INFORMATION:

Background

On March 3, 2022, Commerce published in the *Federal Register* a notice of opportunity

to request an administrative review of the antidumping duty order on large vertical shaft engines from China¹ for the POR.² On March 30, 2022, Honda and American Honda Motor Co., Inc. self-requested a review of Honda's imports of subject merchandise during the POR.³ On March 31, 2022, Chongqing Rato self-requested a review of its sales of subject merchandise during the POR.⁴ Also on March 31, 2022, the Toro Company (Toro), a U.S. importer of large vertical shaft engines from China, requested a review of Loncin, a producer and exporter of subject merchandise.⁵ Subsequently, we initiated an administrative review of the *Order* with respect to Chongqing Rato,⁶ Loncin,⁷ and Honda.⁸ On June 7, 2022, Toro timely withdrew its review request of Loncin.⁹

On June 17, 2022, we placed on the record U.S. Customs and Border Protection (CBP) entry data under administrative protective order (APO) for all interested parties having APO access and provided interested parties the opportunity to comment on the CBP data and respondent selection.¹⁰ No party commented on the CBP data or respondent selection.

On July 18, 2022, Chongqing Rato timely withdrew its request for an administrative review.¹¹

¹ See *Certain Vertical Shaft Engines Between 225cc and 999cc, and Parts Thereof from the People's Republic of China: Amended Final Antidumping Duty Determination and Antidumping Duty Order*, 86 FR 12623 (March 4, 2021) (*Order*).

² See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review and Join Annual Inquiry Service List*, 87 FR 12086 (March 3, 2022).

³ See Honda's Letter, "Certain Vertical Shaft Engines Between 225cc and 999cc, and Parts Thereof from the People's Republic of China: Request for Administrative Review," dated March 30, 2022.

⁴ See Chongqing Rato's Letter, "Certain Vertical Shaft Engines Between 225CC and 999CC, and Parts Thereof, from the People's Republic of China: Request for Administrative Review," dated March 31, 2022.

⁵ See Toro's Letter, "Vertical Shaft Engines between 225cc and 999cc, and Parts Thereof, from the People's Republic of China: Request for Review – 2020-2022 Review Period," dated March 31, 2022.

⁶ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 87 FR 29280 (May 13, 2022).

⁷ *Id.*

⁸ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 87 FR 35165 (June 9, 2022) (*Honda Initiation Notice*).

⁹ See Toro's Letter, "Vertical Shaft Engines between 225cc and 999cc, and Parts Thereof, from the People's Republic of China: Withdrawal of Request for Review – 2020-2022 Review Period," dated June 7, 2022.

¹⁰ See Memorandum, "Customs Entries from August 19, 2020 through February 28, 2022," dated June 17, 2022.

¹¹ See Chongqing Rato's Letter, "Certain Vertical Shaft Engines Between 225CC and 999CC, and Parts Thereof, from the People's Republic of China: Withdrawal of Request for Administrative Review," dated July 18, 2022.

Scope of the *Order*

The scope of the *Order* consists of spark-ignited, non-road, vertical shaft engines, whether finished or unfinished, whether assembled or unassembled, primarily for riding lawn mowers and zero-turn radius lawn mowers. Engines meeting this physical description may also be for other non-hand-held outdoor power equipment such as, including but not limited to, tow-behind brush mowers, grinders, and vertical shaft generators. The subject engines are spark ignition, single or multiple cylinder, air cooled, internal combustion engines with vertical power take off shafts with a minimum displacement of 225 cubic centimeters (cc) and a maximum displacement of 999cc. Typically, engines with displacements of this size generate gross power of between 6.7 kilowatts (kw) to 42 kw.

Engines covered by this scope normally must comply with and be certified under Environmental Protection Agency (EPA) air pollution controls title 40, chapter I, subchapter U, part 1054 of the Code of Federal Regulations standards for small non-road spark-ignition engines and equipment. Engines that otherwise meet the physical description of the scope but are not certified under 40 CFR part 1054 and are not certified under other parts of subchapter U of the EPA air pollution controls are not excluded from the scope of the *Order*. Engines that may be certified under both 40 CFR part 1054 as well as other parts of subchapter U remain subject to the scope of the *Order*.

For purposes of the *Order*, an unfinished engine covers at a minimum a sub-assembly comprised of, but not limited to, the following components: crankcase, crankshaft, camshaft, piston(s), and connecting rod(s). Importation of these components together, whether assembled or unassembled, and whether or not accompanied by additional components such as an oil pan, manifold, cylinder head(s), valve train, or valve cover(s), constitutes an unfinished engine for purposes of this order. The inclusion of other products such as spark plugs fitted into the cylinder head or electrical devices (e.g., ignition modules, ignition coils) for synchronizing with the motor to supply tension current does not remove the product from the scope. The inclusion

of any other components not identified as comprising the unfinished engine subassembly in a third country does not remove the engine from the scope.

The engines subject to the *Order* are typically classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 8407.90.1020, 8407.90.1060, and 8407.90.1080. The engine subassemblies that are subject to the *Order* enter under HTSUS subheading 8409.91.9990. Engines subject to the *Order* may also enter under HTSUS subheadings 8407.90.9060 and 8407.90.9080. The HTSUS subheadings are provided for convenience and customs purposes only, and the written description of the merchandise subject to the *Order* is dispositive.

Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if all parties that requested a review withdraw their requests within 90 days of the publication date of the notice of initiation of the requested review in the *Federal Register*. On June 7, 2022, Toro withdrew its review request of Loncin.¹² On July 18, 2022, Chongqing Rato withdrew its request for an administrative review of its own entries.¹³ Because no other party requested a review of Loncin and Chongqing Rato, consistent with 19 CFR 351.213(d)(1), Commerce is rescinding this review with respect to Chongqing Rato and Loncin.

Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.213.

Preliminary Results of Review

¹² See Toro's Letter, "Certain Vertical Shaft Engines between 225cc and 999cc, and Parts Thereof, from the People's Republic of China: Withdrawal of Request for Review – 2020-2022 Review Period," dated June 7, 2022.

¹³ See Chongqing Rato's Letter, "Certain Vertical Shaft Engines Between 225CC and 999CC, and Parts Thereof, from the People's Republic of China: Withdrawal of Request for Administrative Review," dated July 18, 2022.

The deadline for Honda to submit a no-shipment certification, separate rate application (SRA), or separate rate certification (SRC) was July 11, 2022.¹⁴ Honda did not submit an SRA or SRC. Thus, Commerce preliminarily determines that Honda has not demonstrated its eligibility for separate rate status and, therefore, Honda is part of the China-wide entity.

China-Wide Entity

Commerce no longer considers the non-market economy (NME) entity as an exporter conditionally subject to an antidumping duty administrative review.¹⁵ Accordingly, the NME entity will not be under review unless Commerce specifically receives a request for, or self-initiates, a review of the NME entity. In this administrative review, no party requested a review of the China-wide entity and we have not self-initiated a review of the China-wide entity. Because no review of the China-wide entity is being conducted, the China-wide entity's entries are not subject to the review, and the rate applicable to the NME entity is not subject to change as a result of this review. The weighted-average dumping margin previously determined for the China-wide entity is 456.10 percent.¹⁶

Public Comment

Interested parties are invited to comment on the preliminary results and may submit case briefs or written comments, filed electronically via Enforcement and Compliance's Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS), within 30 days after the date of publication of these preliminary results of review.¹⁷ ACCESS is available to registered users at <https://access.trade.gov>. Rebuttal briefs, limited to issues raised in the case

¹⁴ See *Honda Initiation Notice*, 87 FR at 35167 ("If a producer or exporter named in this notice of initiation had no exports, sales, or entries during {POR}, it must notify Commerce within 30 days of publication of this notice in the *Federal Register* . . . Separate Rate Applications are due to Commerce no later than 30 calendar days after publication of this *Federal Register* notice."). Thirty calendar days after the *Honda Initiation Notice* published was Saturday, July 9, 2022. Commerce's practice dictates that, where a deadline falls on a weekend or federal holiday, the appropriate deadline is the next business day. See *Notice of Clarification: Application of "Next Business Day" Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005).

¹⁵ See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Non-Market Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963, 65970 (November 4, 2013).

¹⁶ See *Order*, 86 FR at 12624.

¹⁷ See 19 CFR 351.309(c)(1)(ii).

briefs, must be filed within seven days after the time limit for filing case briefs.¹⁸ Parties who submit case or rebuttal briefs in this proceeding are requested to submit with each argument a statement of the issue, a brief summary of the argument, and a table of authorities.¹⁹ Note that Commerce has temporarily modified certain portions of its requirements for serving documents containing business proprietary information, until further notice.²⁰

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance within 30 days of the date of publication of this notice.²¹ Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, parties will be notified of the time and date for a hearing to be held.²² Commerce intends to issue the final results of this administrative review, which will include the results of our analysis of all issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, unless extended, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

Upon issuance of the final results of this review, Commerce will determine, and CBP will assess, antidumping duties on all appropriate entries covered by this review.²³ We intend to instruct CBP to liquidate entries containing subject merchandise exported by Honda, if we continue to determine in the final results Honda to be part of the China-wide entity, at the China-wide entity rate of 456.1 percent.²⁴

¹⁸ See 19 CFR 351.309(d)(1) and (2); see also *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020) (*Temporary Rule*).

¹⁹ See 19 CFR 351.309(c) and (d); see also 19 CFR 351.303 (for general filing requirements).

²⁰ See *Temporary Rule*, 85 FR at 41363.

²¹ See 19 CFR 351.310(c).

²² See 19 CFR 310(d).

²³ See 19 CFR 351.212(b)(1).

²⁴ For a full discussion of this practice, see *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011).

For Chongqing Rato and Loncin, for which this review is rescinded, antidumping duties shall be assessed at rates equal to the cash deposit of estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period August 19, 2020, through February 28, 2022, in accordance with 19 CFR 351.212(c)(1)(i).

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final rescission of this review in the *Federal Register* for Chongqing Rato and Loncin, and no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register* for Honda. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of review, as provided for by section 751(a)(2)(C) of the Act: (1) for Honda, if it is found to not be eligible for a separate rate in the final results of review, then its cash deposit rate will be the rate applicable for the China-wide entity; (2) for previously investigated or reviewed Chinese and non-Chinese exporters who are not under review in this segment of the proceeding but who have separate rates, the cash deposit rate will continue to be the exporter specific rate published for the most recent period; (3) for all Chinese exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the China-wide rate of 456.10 percent; and (4) for all non-Chinese exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to Chinese exporter(s) that supplied that non-Chinese exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping and/or countervailing duties occurred and the subsequent assessment of double antidumping duties, and/or an increase in the amount of antidumping duties by the amount of the countervailing duties.

Notification to Interested Parties

This determination is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213(d) and 19 CFR 351.221(b)(4).

Dated: December 1, 2022.

Lisa W. Wang,
Assistant Secretary
for Enforcement and Compliance.